

**ORM 2014 Claims Management and Loss Prevention Services RFP  
Addendum #2**

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Section 2.5 DEFINITIONS, Paragraph 8 changed to read:

**Must, Will, Shall:** Indicates a mandatory requirement. Failure to meet these requirements shall result in the elimination of a proposal from consideration.

Section 2.6 CALENDAR OF EVENTS, item 4, changed to read:

4. Deadline for receiving proposer inquiries (8:00 A.M. CT) ..... 12/29/2014

Section 3.1 MINIMUM QUALIFICATIONS OF PROPOSER changed to read:

In order to respond to this RFP, a proposer **MUST** meet the following conditions:

- Proposer must have a minimum of three (3) years of experience in providing Workers' Compensation claims services to a governmental entity same/similar in size, scope, and function to the State of Louisiana.
- Proposer must have a minimum of three (3) years of experience in providing multi-line claims administration services to a governmental entity same/similar in size, scope, and function to the State of Louisiana.

Section 4.1 PROPOSAL SUBMISSION, Paragraph 3 changed to read:

An additional seven (**7**) copies should also be submitted. These copies should exclude Appendix F – Cost Proposal. These copies may be submitted as hard copies or in PDF format on digital media, such as a USB flash drive. Each copy should be on separate media. PDF copies may contain internal hyperlinks to aid navigation. Links to external data sources are discouraged. The information provided by such links is not considered part of the proposal and will not be considered in evaluation.

Section 4.2.2 Corporate Background and Experience, add paragraph 10 which reads:

**Failure to include three (3) years of audited financial statements and the SOC1, Type 2 report shall cause the proposal to be rejected.**

Section 4.2.4 Proposed Project Approach and Methodology, changed to read:

This section should, at a minimum, identify the approach to implementation, team organization, staffing, training, finalizing standards and procedures, implementation project management, risk assessment/mitigation, loss prevention, security, software change management, quality assurance, and disaster recovery. The proposer should include a high-level work plan for the implementation project. This work plan should include the high level tasks to be performed, work estimates for each task, and level of effort for State and Contractor personnel.

Proposal should clearly articulate plans for ongoing operations of the claims and loss prevention units, contractor's evaluation of existing programs and potential areas for improvement.

The Proposer may propose optional services or innovative concepts. Costs should be provided, as well as a detailed explanation of benefits to be gained by implementing the proposed services. The State reserves the right to accept or decline these services/concepts and to negotiate prices for any services that may be selected for implementation by the state. The Proposer may offer optional services and innovative concepts at no additional cost to the State.

The proposer should provide this information in the format defined in APPENDIX E.

Section 4.2.6 Cost Information, changed to read:

The State will continue to pay for legal services provided by the Attorney General and for State Police Accident Reconstructions on State highways.

Costs for the following services must be included in APPENDIX F – Cost Proposal.

Implementation Fees:

All one-time costs associated with initial implementation.

Service Fees:

Basic adjusting services, investigation and payment of claims

Bill review and fee schedule reductions

Utilization review

Pharmacy benefit management

Drug utilization reviews (DURs)

Fees for MSA and CMS approvals

- Appearances at trials and mediations
- ISO/Index bureau fees
- Property damage appraisals

**Emergency Adjusting Fees:**

All fees for additional field adjusters required to manage the volume of property claims after a declared disaster or other approved event

**Recovery Fees:**

Fees for subrogation and Second Injury Fund recoveries.

The following expenses should NOT be included in the cost proposal. They will be paid as expenses through the risk management system and funded by the state through the banking procedures established during implementation:

- Legal expenses for contract attorneys
- Miscellaneous legal fees, such as depositions and non-expert witness fees
- Court reporter fees
- Court costs
- Expert witness fees
- Outside investigation of major claims (subject to ORM approval)
- Vehicle damage appraisals
- IME and Rehab conference fees
- Court costs
- Professional photography fees
- Salvage, towing and storage
- Fees for official reports (police reports)
- Medical records reports for 3rd party claims
- Mediation/Arbitration fees
- Panel fees on medical malpractice claims
- Translation services
- Transcription services
- Credit Bureau reports
- Asset checks
- Vocational rehabilitation
- Medical case management
- Private investigation

A standard rate of \$75 an hour will be allowed for vocational rehabilitation, medical case management and private investigation. Exceptions to standard rates for out-of-state cases and other unusual circumstances may be approved by ORM.

Costs associated with optional services and innovative concepts should NOT be included in the cost proposal.

All other costs the Contractor wishes to have included in the contractual arrangements with the State, including travel, to perform all of the requirements of the RFP must be included in APPENDIX F – Cost Proposal.

The total compensation and expense reimbursement for the resulting contract will not exceed the total cost in the proposal, including the costs proposed for any optional services or innovative concepts selected for implementation by the state.

The Excel spreadsheet version of APPENDIX F can be found at [http://doa.louisiana.gov/orm/RFP\\_2014.htm](http://doa.louisiana.gov/orm/RFP_2014.htm).

Section 5.2 ADMINISTRATIVE AND MANDATORY SCREENING, changed to read:

Each proposal will be screened for compliance with the minimum proposer qualifications defined in Section 3.1. Failure to meet these qualifications and requirements will eliminate the proposal from further consideration.

Section 5.8 FINAL SCORING, changed to read:

The proposals selected for final evaluation will be re-scored using the same criteria as the preliminary scoring. The evaluation committee will take into account information obtained from the proposer interviews/presentations, and references. The highest scored proposal will be selected, unless the State decides to use a Best and Final Offer process.

Section 5.9 BEST AND FINAL OFFER (BAFO), insert new paragraph after paragraph 1, which reads:

After the BAFO negotiation process, the State will re-score the proposals of the participants, taking the BAFO response into account, and using the same criteria as the preliminary scoring. The highest scored proposal will be selected.

Section 6.2 BILLING AND PAYMENT, paragraph 1 changed to read:

The Contractor may submit bills for Implementation Fees immediately upon contract execution and completion of implementation tasks.

Appendix A, Detailed Specifications, add item A-1.8 which reads:

Third Party Administrator (TPA) must be licensed in the State of Louisiana per R.S. 22:1641 et seq. prior to contract execution.